



FOR IMMEDIATE RELEASE
December 10, 2013

MEDIA CONTACTS
Jared Touchin | 928.221.9253
Jolene Holgate | 928.380.4174
Chrissy Largo | 928.871.7160
nnlb.communications@gmail.com

Law and Order Committee receives report on proposed Navajo Nation Alcohol Sales Tax

WINDOW ROCK – On Monday, the Law and Order Committee received a report regarding a proposed alcohol sales tax that would help fund the Navajo Nation’s public safety and social services programs.

According to the Office of the Navajo Tax Commission executive director Martin Ashley, the proposed alcohol tax would be an additional tax on top of the five-percent sales tax currently implemented on the Navajo Nation. The alcohol tax would only apply to alcoholic beverages served in the Nation’s casinos.

“ONTC is presently charged with regulating liquor licensing to the casinos and alcohol distributors, but we are finding that it is costly and we need additional funding to carry out these responsibilities efficiently,” said Ashley.

Ashley stated that ONTC’s duty is to regulate taxes on the Navajo Nation and that the responsibility of regulating liquor licensing should be separate from their original entity obligations.

Ashley suggested that two offices should be created to alleviate the burden on ONTC by designating one office for regulation of liquor licensing/sales, and the other for collecting alcohol sales taxes.

LOC committee members posed questions to Ashley regarding the management of liquor taxing and licensing at the state level.

“Do the states [AZ and NM] have their own alcohol tax?” asked LOC chair Council Delegate Edmund Yazzie (Churchrock, Iyanbito, Mariano Lake, Pinedale, Smith Lake, Thoreau).

In response to Delegate Yazzie’s question, Ashley said that alcohol taxation occurs at the distributor level and is paid to the states. He added that distributors sell to the Navajo casinos, but conduct business off-reservation to avoid buying a Navajo Nation liquor license and only pay license fees to the states.

ONTC's staff attorney Chad Yazzie, informed the committee that an intergovernmental agreement between the Navajo Nation and the states could be drafted to cover the loopholes that distributors are taking advantage of through off-reservation sales.

"Does the Navajo Nation have a liquor sales permit already in place?" asked LOC member Council Delegate Russell Begaye (Shiprock).

Ashley said the Commission currently has seven approved statutes already in place since the opening of the Nation's first casino five years ago, which regulate liquor licensing and sales in casinos.

At the closing of the discussion, Delegate Yazzie suggested that legislation be drafted soon to allow Council members the opportunity to contribute input and advice on the proposed alcohol sales tax.

LOC voted 3-0 to accept the report.

#

For news on the latest legislative branch activities, please visit www.navajonationcouncil.org